

THE FORZANI GROUP LTD.

DISCLOSURE POLICY

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THE FORZANI GROUP LTD.

DISCLOSURE POLICY

The Forzani Group Ltd. (“FGL”) is committed to the timely, factual and broad-based disclosure of complete, accurate and balanced information about FGL to the investing public, in accordance with all applicable legal and regulatory requirements.

Application

This policy applies to all employees of FGL, its board of directors and to those authorized to speak on its behalf. It covers disclosures in documents filed with securities regulators, written statements made in FGL’s annual and quarterly reports, news releases, letters to shareholders, presentations by senior management, and information contained on FGL’s website and other electronic communications. It extends to oral statements in meetings and telephone conversations with analysts and investors, interviews with the media, as well as speeches, press conferences and conference calls. The term “employees” includes directors, officers and regular, temporary, contract, summer and casual employees.

FGL, its directors, officers, authorized spokespersons and insiders may be liable to investors, subject to certain defenses, for misrepresentations in public documents or public oral statements concerning FGL or for failing to make timely disclosure of material changes. It is, therefore, imperative that all employees and authorized spokespersons of FGL and its subsidiaries comply with this policy and the disclosure

Questions Concerning this Policy

If there is any question or concern with respect to the application of this policy to any employee or to any particular circumstance, a member of the Disclosure Committee should be contacted for guidance.

Provisions

◆ Disclosure Committee

The Chief Executive Officer (CEO), upon consultation with the Board of Directors, has established a Disclosure Committee consisting of the CEO, the President and Chief Operating Officer, the Chief Financial Officer (CFO), the General Counsel and the Manager, Investor Relations (MIR). The Committee may also appoint a secretary who need not be a member of the Committee.

The Disclosure Committee will be responsible for:

1. overall administration of this Policy;
2. educating employees regarding FGL's disclosure obligations and trading and tipping restrictions;
3. ensuring that appropriate processes are in place for verifying the accuracy of information disclosed in documents filed with the securities regulatory authorities or otherwise publicly disseminated or contained in public oral statements and ensuring the timely disclosure of material changes in FGL's affairs;
4. reviewing and authorizing disclosure (both written, including FGL core documents and non-core documents", and oral) before public release;
5. monitoring FGL's website;
6. maintaining a disclosure record;
7. keeping minutes of Committee meetings;
8. ensuring that when public disclosure requires a correction, such corrections are made promptly and under the direct supervision of the Committee; and
9. monitoring the effectiveness of and compliance with this Policy and reporting thereon to the Board annually or more frequently if required (such as in the case of corrections to public disclosure).

The Disclosure Committee will determine when developments not specifically addressed by this Policy require public disclosure or require the imposition of trading restrictions or a blackout period and will determine who specifically is affected by such restrictions. The Committee will meet as conditions dictate. If appropriate, the Committee will review any situation not specifically addressed by this Policy with the Board of Directors of FGL. A written record of decisions will be maintained by the General Counsel or the secretary of the Committee.

It is essential that the Disclosure Committee be fully apprised by all employees of all material FGL developments in order to evaluate and discuss those events to determine the appropriateness and timing for public release of material information or whether the information should remain confidential (in keeping with securities regulations and stock exchange rules), and if so, how that undisclosed confidential information will be controlled and for what time period.

◆ **Disclosure Controls and Procedures**

The Committee shall establish specific procedures and timetables which shall be adhered to by FGL and its employees for the preparation of all disclosure documents, and, wherever practicable, their review by such personnel, the auditors and external legal counsel, as the Committee may determine and, ultimately their dissemination in compliance with this Policy. The Committee may elect to, at any time, adopt controls and procedures that are different than those which have been previously established, provided that such controls and procedures are, in the opinion of the Committee, satisfactory to ensure that disclosure documents are accurate and are disclosed in compliance with applicable laws and with this Policy.

The procedures will involve the following:

- (a) identification of all continuous disclosure requirements under securities laws, rules and policies applicable to FGL;
- (b) identification of the individuals responsible for preparing reportable information and individuals, whether internal or external, responsible for reviewing reports or portions of reports to verify disclosure made with respect to their areas of responsibility or expertise;
- (c) establishment of timetables for the preparation and adequate review of reportable information;
- (d) procedures for obtaining “sign-off” on disclosure of reportable information;
- (e) procedures for the identification and timely reporting to the Committee of information which may constitute material information or which may constitute a material change to previously disclosed material information, including the identification of individuals who have authority to take actions which may constitute material information or who are likely to learn first about events outside the control of FGL that may give rise to material information;
- (f) documenting the procedures followed with respect to the release of each disclosure made in writing and for the review of any disclosure made orally;
- (g) ongoing evaluation of FGL’s disclosure controls and procedures; and
- (h) reviewing and updating, as necessary, this Policy on an annual basis.

◆ **Responsibility For Implementation**

The Disclosure Committee will set benchmarks for a preliminary assessment of materiality and collectively will determine when developments justify public disclosure. The CEO and CFO will evaluate disclosure controls and procedures. The General Counsel is responsible for managing FGL’s disclosure practices.

◆ **Disclosure of Material Information**

In complying with requirements to disclose forthwith all material information under applicable laws and stock exchange rules, FGL will adhere to the following basic disclosure principles:

- (a) material information will be publicly disclosed immediately via news release except in restricted circumstances where immediate release of the information would be unduly detrimental to the interests of FGL, subject to FGL complying,

to the extent required or appropriate, with any confidential material information filing obligations of applicable securities regulators until it is appropriate to publicly disclose, and to FGL maintaining the confidentiality of such information. If filed confidentially, FGL will periodically (at least every 10 days) review its decision to keep the information confidential;

- (b) unfavorable material information shall be disclosed as promptly as favorable information;
- (c) undisclosed material information should not be disclosed to selected individuals or to a selective audience, except in the necessary course of business. If undisclosed material information has been inadvertently disclosed improperly, such material information shall be broadly disclosed immediately to the public by a news release.

◆ **Designated Spokespersons**

FGL designates a limited number of spokespersons responsible for communication with the media and the investment community. Each of the members of the Disclosure Committee shall be an official spokesperson (“Spokesperson”) for FGL on general corporate matters. Individuals holding these offices may, from time to time, designate others within FGL to speak on behalf of FGL as backups or to respond to specific inquiries. Such individuals should, if possible, first advise the Spokesperson of the nature of the information to be discussed and, afterwards, advise the Spokesperson of what actually was discussed.

Employees who are not authorized Spokespersons must not respond, under any circumstances, to inquiries from the investment community, the media or others, unless specifically asked to do so by an authorized Spokesperson. All such inquiries shall be referred to the Manager, Investor Relations, or, if not available, to another Spokesperson.

◆ **Preparation and Review of Disclosure Documents**

The CEO and CFO are responsible for the content and accuracy of FGL’s disclosure documents. They will be required to file a certificate with each annual and interim securities filing as prescribed by securities law. In order for the CEO and CFO to be in a position to provide this certificate, they must be satisfied that all relevant disclosure documents have been prepared with input from responsible officers at each business unit with appropriate judgments made regarding disclosure.

The Committee will establish procedures and timetables for the preparation, dissemination and review of disclosure documents and assign responsibility for preparation and review to officers and to the heads of relevant business areas. Such procedures may vary depending upon the type of disclosure document being reviewed. These individuals will be given sufficient time to make comments on these documents

and will be required to sign off on the documents reviewed. Any changes made to draft disclosure documents will be recirculated to individuals for their further review.

Draft disclosure documents will be available for review by the CEO and CFO in advance of a reporting deadline, with sufficient time to review the disclosure documents and if necessary to discuss them with the Corporation's internal and external auditors, legal advisors and other key officers and employees.

If a disclosure document is to be approved by the board of directors or a committee of the board, any two of the members of the Disclosure Committee must have reviewed the disclosure document and signed off their approval for its submission to the board of directors.

FGL's external auditors will generally review draft disclosure documents that include financial information. In addition to the financial statements, the external auditors will also review the MD&A disclosure documents. The Disclosure Committee may, at its discretion, provide any draft disclosure documents to external legal counsel for review.

Disclosure documents may incorporate by reference previously-published disclosure documents. If this information needs to be updated, the same procedures will be followed for the updating of the information as were followed in preparing the original document.

◆ **News Releases**

Once FGL has determined to disclose material information, it will prepare a news release. If the Toronto Stock Exchange (or any other stock exchange upon which shares of the Corporation are listed) is open for trading (including after-hours markets) at the time of the proposed announcement, prior notice of a news release announcing material information must be provided to the market surveillance department of the exchange. If a news release announcing material information is issued outside of trading hours, market surveillance must be notified before the market re-opens.

News releases will be disseminated through an approved news wire service that provides simultaneous distribution. News releases will be posted to FGL's website immediately after release over the news wire.

◆ **Conference Calls**

Conference calls will be held for quarterly earnings and major corporate developments, whereby discussion of key aspects is accessible simultaneously to all interested parties, some as participants by telephone and others in a listen-only mode by telephone or via a webcast over the Internet. The call will be preceded by a news release and posting to FGL's website containing all relevant material information. At the beginning of the call, an FGL spokesperson will provide appropriate cautionary statements concerning forward-looking information.

FGL will provide advance notice of the conference call and webcast by issuing a news release announcing the date and time and providing information on how interested parties may access the call and webcast. In addition, FGL may send invitations to analysts, institutional investors, the media and others invited to participate. Any non-material supplemental information provided to participants will also be posted concurrently to the FGL website for others to view.

In advance of an analyst conference call, to the extent practicable, the Disclosure Committee will endeavour to script comments and responses to anticipated questions, to identify material information that should be publicly disclosed and will limit comments and responses to non-material information and material information that has previously been publicly disclosed. Promptly after each conference call, a debriefing will be conducted by the Disclosure Committee. If such debriefing determines that previously undisclosed material information has been disclosed, FGL will immediately disclose such information generally to the public by a news release and, if applicable, the filing of a material change report. A record of the debriefing and what was said should be filed as part of the disclosure record.

A tape recording of the conference call and/or an archived audio webcast on the Internet will be made available following the call for a minimum of 30 days for anyone interested in listening to a replay.

◆ **Forward-Looking Information**

Should FGL elect to disclose forward-looking information in continuous disclosure documents or other written communications, such information will be broadly disseminated via news release in accordance with this policy, and be accompanied proximate to that information by reasonable cautionary statements identifying such information as forward looking information and the material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information.

Before any oral disclosure of forward-looking information, including in speeches and conference calls, an authorized FGL spokesperson shall make a cautionary statement that the oral statement contains forward-looking information, state that the actual results could differ materially from a conclusion, forecast or projection in the forward-looking information and certain material factors or assumptions were applied in drawing a conclusion or making a forecast or projection as reflected in the forward-looking information and state that additional information about the material factors that could cause actual results to differ materially from the conclusion, forecast or projection in the forward-looking information and the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection as reflected in the forward-looking information is contained in a readily-available document or portion of such document , and identify that document or portion.

Where FGL becomes aware of any material change in disclosed forward-looking information, it will take steps to issue a press release and, if required, file a material change report updating the forward-looking information.

◆ **Contacts with Analysts, Investors and the Media**

FGL recognizes that meetings with analysts and significant investors are an important element of FGL's investor relations program. If FGL intends to discuss material information at an analyst or shareholder meeting or a press conference, the announcement will be preceded by a news release containing all relevant material information. Supplemental information provided to participants will be handled in the same manner as for conference calls. A debriefing will also be held after such meetings and if it is determined that previously undisclosed material information has been disclosed, FGL will immediately disclose such information generally to the public by news release and, if required, file a material change report. A record of the debriefing and a record of what was said at the meeting or press conference should be filed as part of the disclosure record.

FGL shall refrain from commenting on analysts' models, draft research reports or earnings estimates, but may review draft research reports to identify publicly disclosed factual information that may affect an analyst's model or to identify inaccuracies or omissions with reference to publicly available information about FGL. FGL will monitor analyst's reports to remain generally aware of analyst's views on FGL's future financial results.

◆ **Correction of Selective Disclosure**

If previously undisclosed material information has been inadvertently disclosed to an analyst or any other person, the information must be publicly disclosed immediately by way of press release and, if required, the filing of a material change report. Pending the public release of the material information, the parties who have knowledge of the

information should be advised that the information is material and has not been generally disclosed.

◆ **Correcting Misrepresentations or Failure to File Material Change Report**

FGL is committed to maintaining a public disclosure record that is complete and accurate and free of material misrepresentations.

Any employee or director who becomes aware of any misrepresentation or alleged misrepresentation in any disclosure documents of FGL or in any oral statements made in a conference call or meeting with analysts or investors or of any material change or potential material change in the business or affairs of FGL that has not been publicly disclosed will immediately advise a member of the Disclosure Committee.

A meeting of the Disclosure Committee will be called as soon as practical to review the matter and determine the course of action to follow. If it is determined that a material misrepresentation has been made in FGL's public disclosure or that a material change has occurred but not been publicly disclosed, FGL will prepare and issue a press release describing and correcting the misrepresentation or the material change, and, if required, file a material change report as soon as reasonably possible in the circumstances.

◆ **Rumours**

It is FGL's policy not to comment, affirmatively or negatively, on market rumours or speculation.

◆ **Maintaining Confidentiality**

Pending appropriate disclosure, internal information of FGL shall be kept confidential and handled in accordance with its Code of Ethics.

◆ **Quiet Periods**

In order to avoid any potential for any appearance of selective disclosure, FGL will observe a quarterly quiet period, during which FGL will not initiate any meetings or telephone contacts with analysts, investors or the financial media. Except for the announcement of any material change in previously disclosed forward-looking information, no comments concerning the current fiscal period, nor any comments respecting past or present guidance, are permitted during the quiet period. Spokespersons may respond to unsolicited enquiries concerning factual matters.

The quiet period will run from the last day of each fiscal quarter through to the issuance of a news release disclosing the financial results for that fiscal period, except that the quiet period in respect of the fourth quarter of a fiscal year shall apply until the release of FGL's annual financial results.

◆ **Trading Restrictions and Blackout Periods**

It is illegal for anyone to trade in securities of any public company with knowledge of material information affecting the company that has not been generally disclosed. Except in the necessary course of business, it is also illegal for anyone to inform any other person of non-public material information. Therefore, insiders and employees with knowledge of confidential material information about FGL or counterparties in negotiations of material potential transactions are prohibited from trading securities in FGL or the counterparty until the information has been fully disclosed and a reasonable period of time has passed for the information to be broadly disseminated, in accordance with FGL's Code of Ethics.

Trading blackout periods will be applied to FGL employees in accordance with FGL's Code of Ethics.

Additional trading blackout periods may also be prescribed by FGL from time to time as a result of special circumstances relating to FGL pursuant to which employees of FGL and other parties with knowledge of such special circumstances would be precluded from trading in securities of FGL.

◆ **Electronic Communications: FGL Website**

The Manager, Investor Relations is responsible for updating the Investor Relations section of FGL's website and for monitoring all information placed on the website to ensure it is accurate, complete, up-to-date and in compliance with relevant securities laws. All material posted will display an effective date. A record will be maintained of when and what material was posted to and removed from the website. Disclosure on FGL's website alone does not constitute adequate disclosure of material information. Any disclosures of previously undisclosed material information on the website shall be preceded by the issuance of a news release and, if required, the filing of a material change report.

FGL will endeavour to concurrently post to its website all documents filed on SEDAR in an effort to improve investor access to its information. Where practicable, FGL will also endeavour to post on its website all supplemental information that is given to analysts, institutional investors and other market professionals such as data books, fact sheets, slides of investor presentations or other relevant materials.

The Manager, Investor Relations is also responsible for responses to electronic inquiries. Only public information or information which could otherwise be provided in accordance with this policy will be utilized in responding to electronic inquiries.

In order to ensure that no undisclosed material information is inadvertently disclosed, employees and directors may not participate in Internet chat rooms or newsgroup discussions on matters pertaining to FGL's activities or its securities. Employees who encounter a discussion pertaining to FGL should advise the Manager, Investor Relations promptly, so that discussion may be monitored, if determined appropriate.

FGL will not host or link to chat rooms, bulletin boards or news groups and will not link to or post analyst's reports on its website.

◆ **Disclosure Record**

The Manager, Investor Relations will be responsible for maintaining a file containing a record of all public disclosure material concerning FGL.

- (a) minutes of Disclosure Committee meetings;
- (b) disclosure documents and press releases;
- (c) transcripts or tape recordings of conference calls; and
- (d) notes from meetings with analysts and investors.

The Manager, Investor Relations will be responsible for maintaining a detailed record of the procedures followed and steps taken to prepare and finalize disclosure documents, other than annual and interim financial statements and related MD&A. The Controller will be responsible for maintaining a detailed record of the procedures followed and steps taken to prepare and finalize annual and interim financial statements and related MD&A. Such procedures and steps will include maintaining copies of all drafts of the disclosure documents prepared, reviewed and signed off by officers and heads of relevant business areas.

All such materials shall be retained for a minimum of six years following the year in which they were prepared.

◆ **Monitoring Developments**

The Disclosure Committee will appoint a person or persons (which may include outside counsel) to keep informed regarding developments in securities law affecting disclosure practices and to monitor disclosure practices of FGL's competitors. Such person(s) will advise the Disclosure Committee periodically, and promptly in the event of any major development in the law or such practices.

◆ **Annual Review and Update**

The Manager, Investor Relations, together with the General Counsel, will review and update, as necessary, this policy on an annual basis or as needed to ensure compliance with changing regulatory requirements. Any changes will be reported to and be subject to the approval of the Board of Directors.

Procedure

Any employee who violates this policy may face disciplinary action up to and including termination of employment without notice. The violation of this policy may also violate certain securities laws. If it appears that an employee may have violated such securities laws, FGL may refer the matter to the appropriate regulatory authorities, which could lead to penalties, fines or imprisonment.

All questions regarding this policy should be directed to the General Counsel.